DETAILED ACTION

Acknowledgements

1.   This action is in reply to the Election of Species filed on 08 October 2008.

2.   Claims 1-16 are currently pending and have been examined.

3.   All references to the capitalized versions of "Applicants" refer specifically to the

Applicants of record. Any references to lower case versions of "applicant" or "applicants" refer

to any or all patent "applicants." Unless expressly noted otherwise, references to "Examiner"

refers to the Examiner of record while reference to or use of the lower case version of

"examiner" or "examiners" refers to examiner(s) generally. The notations in this paragraph

apply to this Office Action and any future office action(s) as well.

4.   This Office Action is given Paper No. 20081022. This Paper No. is for reference

purposes only.

Elections

5.   Applicants' election with traverse of Species A1, B1 in the reply filed on 08 October

2008 is acknowledged. The traversal is on the grounds that "a reasonable number of species is

set forth in the present application" (p. 17 of reply). For a restriction to be proper (MPEP §800)

there must only be evidence of:

      a.   independent or distinct inventions as claimed; and

      b.   a serious burden on the examiner if restriction is not required.

6.   The Examiner presented evidence in the paper mailed on 08 August 2008 that meets both

of the requirements above. It is therefore the Examiner's position that Applicants' traversal on

the grounds that "a reasonable number of species is set forth in the present application" is not

persuasive.

7. The requirement is still deemed proper and is therefore made FINAL.

8. Claims 9 and 11-16 are withdrawn from further consideration pursuant to 37 CFR

1.142(b), as being drawn to a nonelected species, there being no allowable generic or linking

claim. Applicant timely traversed the restriction (election) requirement in the reply filed on 08

October 2008.

Information Disclosure Statement

9. The Information Disclosure Statement filed on 16 May 2007 has been considered. An

initialed copy of the Form 1449 is enclosed herewith.

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as
> set forth in section 102 of this title, if the differences between the subject matter sought to be
> patented and the prior art are such that the subject matter as a whole would have been obvious at
> the time the invention was made to a person having ordinary skill in the art to which said subject
> matter pertains. Patentability shall not be negatived by the manner in which the invention was
> made.

11. Claims 1, 3-8, and 10 are rejected under 35 U.S.C. §103(a) as being unpatentable over

Goldthwaite et al. (U.S. 2004/0019564 A1) ("Goldthwaite"), in view of The Bank Credit Card

Business by the American Bankers Association ("ABA").

12.　　Regarding claims 1, and 4-7:

　　　c.　　Goldthwaite discloses the following limitations:

　　　　　i.　　*a transaction processing client* (merchant server **104**) (figs. 1-2c with associated text);

　　　　　ii.　　*a transaction processing server under the control of a financial services provider* (financial institution server **112**) (figs. 2a-2c with associated text);

　　　　　iii.　　*a programmable telecommunications client* (mobile phone **110**) *under the control of a transaction initiator* (customer **102**) (figs. 2a-2c with associated text; and ¶ 0037);

　　　　　iv.　　*the transaction processing client, the transaction processing server and the telecommunications client all being connected to or adapted for connection to a telecommunications network* (¶ 0040);

　　　　　v.　　*the transaction processing client being adapted, when in use a transaction is initiated and processed through the transaction processing client, to record* (¶ 0037):

　　　　　　　(1)　　*data pertaining to a transaction initiated, in use, by the transaction initiator* (¶ 0003); *and*

　　　　　　　(2)　　*data pertaining to a financial account of the transaction initiator with the financial services provider* (¶ 0003);

　　　　　vi.　　*the transaction processing client being adapted to transmit the recorded data to the transaction processing server by way of the telecommunications network* (¶ 0003);

vii.   *the transaction processing server being adapted to make use of data*

pertaining to the transaction initiator and the telecommunications client to

formulate a transaction authorization request to the telecommunications client (¶¶

0037 *and* 0042*)*;

viii.   *the transaction processing server being adapted to transmit the*

transaction authorization request to the telecommunications client by way of the

telecommunications network (¶ 0037);

ix.   *the telecommunications client being programmed to require the entry of*

an authorization code into the telecommunications client as a precondition for the

further processing of the transaction authorization request (¶ 0037); and

x.   *the telecommunications client being programmed, further, to transmit a*

process outcome message to either or both the transaction processing server and

the transaction processing client, which process outcome message (¶ 0037):

> (3)   *if the incorrect authorization code is entered, is constituted by a*
>
> *transaction cancellation signal (¶ 0046); and*
>
> (4)   *if the correct authorization code is entered, is constituted by a*
>
> *transaction authorization signal (¶ 0046).*

d.   Goldthwaite does not specifically disclose the limitation that the data used by the

transaction processing server (financial institution server **112**) to formulate a transaction

authorization request is:

xi.   *previously stored with the financial services provider.*

e.   ABA, however, in chapter 6, page 65 does disclose the Account Set-up procedure

implemented by a financial service provider. In this procedure a "cardholder masterfile"

is created that includes the cardholder's name, address, social security number, credit

line, number of cards issued, the card reissue cycle, and the account number.

f.   Therefore, it would have been obvious to one of ordinary skill in the art, at the

time the invention was made, to modify Goldthwaite's system that uses data transmitted

by the transaction processing client to formulate a transaction authorization request to

instead use data that is previously stored with the financial services provider to formulate

a transaction authorization request, as disclosed by ABA. One would have been

motivated to do so because this would reduce the risk of merchant fraud and reduce the

risk of critical information being intercepted by a potential thief.

13.   Regarding claims 3 and 10:

g.   Goldthwaite/ABA discloses the limitations of claim 1, as described above.

Goldthwaite/ABA, further, discloses the limitations:

        xii.   *to cancel the transaction in the event of the receipt, by the*

        telecommunications client, of a transaction cancellation signal (see ¶¶ 0037,

        0046, and 0051); *and*

        xiii.   *to allow the transaction to proceed to finality in the event of the receipt, by*

        the telecommunications client, of a transaction authorization signal (see ¶¶ 0037,

        0046, and 0051).

14.   Claim 2 is rejected under 35 U.S.C. §103(a) as being unpatentable over

Goldthwaite/ABA, in further view of Official Notice, Hutcheson et al. (U.S. 2003/0032409 A1)

("Hutcheson"), and O'Shea et al. (U.S. 2002/0152380 A1) ("O'Shea").

15.   Regarding claim 2:

     h.   Goldthwaite/ABA discloses the limitations of claim 1, as described above.

Goldthwaite/ABA, further, discloses the limitations:

          xiv.   *the transaction processing server is adapted to transmit the previously*

          stored data to the mobile communication device together with the authorization

          request (Goldthwaite, ¶ 0037);

          xv.   *the telecommunications client is programmed, further, to transmit a*

          process outcome message to either or both the transaction processing server and

          the transaction processing client, which process outcome message may,

          alternatively, be constituted by a transaction cancellation signal or a transaction

          authorization signal (Goldthwaite, ¶¶ 0037 and 0046);

          xvi.   *the mobile communication device being programmed, further*:

          xvii.   *to transmit a process outcome message constituted by a transaction*

          cancellation signal (Goldthwaite, ¶ 0046); *and*

          xviii.   *to require the entry, into the mobile communication device, of the*

          authorization code as a precondition for the further processing of the transaction

          authorization request (Goldthwaite, ¶ 0037); *and*

xix.   *if the incorrect authorization code is entered, to transmit a process*

outcome message constituted by a transaction cancellation signal (Goldthwaite, ¶

0046); *and*

xx.   *if the correct authorization code is entered to transmit a process outcome*

message constituted by a transaction authorization signal (Goldthwaite, ¶ 0046).

i.   Goldthwaite/ABA, moreover, discloses a payment card incorporated into a SIM

card that is embedded in the mobile phone (Goldthwaite, ¶ 0047). The SIM card is

issued by the mobile network operator in collaboration with the financial institution

(Goldthwaite, ¶ 0047).

j.   Goldthwaite/ABA does not specifically disclose the following limitations:

xxi.   *the transaction initiator data previously stored with the financial services*

provider includes unique mobile communication device data, which is data that is

unique to and stored in the mobile communication device;

xxii.   *the mobile communication device is programmed, on receipt of the*

transmitted data, to compare the transmitted data to the equivalent unique mobile

communication device data stored in the mobile communication device.

k.   Hutcheson, however, discloses a cellular system that includes a Home Location

Register (HLR) that associates a user identity with an ESN [electronic serial number] and

with profile information (see ¶ 0062).

l.   Therefore, it would have been obvious to one of ordinary skill in the art, at the

time the invention was made to include the cellular system HLR information, namely the

ESN, as disclosed by Hutcheson in the financial institution server as disclosed by

Goldthwaite/ABA since the SIM card has been issued by both the mobile network operator and the financial institution.

m.   Additionally, Examiner takes Official Notice that storing the ESN in the mobile communication device is old and well-known in the art because it is used to uniquely identify each mobile communication device.

n.   Therefore, it would have been obvious to one of ordinary skill in the art, at the time the invention was made to modify the mobile communication device of Goldthwaite to store the ESN as disclosed by Hutcheson in order to be available for authentication and identification purposes, as is customary in the industry.

o.   Additionally, O'Shea discloses a computerized device that receives a message and compares the identifier in the message with the identification of the computerized device, and upon determination either discards the message or proceeds (see ¶ 0036).

p.   One of ordinary skill in the art would have recognized that applying the known technique of O'Shea would have yielded predictable results and resulted in an improved system. It would have been recognized that applying the technique of O'Shea to the teachings of Goldthwaite/ABA/Hutcheson/Official Notice would have yielded predictable results because the level of ordinary skill in the art demonstrated by the references applied shows the ability to incorporate such secure data processing features into similar systems. Further, applying the identifier comparison technique of O'Shea that compares a received identifier with a known identifier to Goldthwaite/ABA with a mobile communication device that receives an authorization request would have been

recognized by those of ordinary skill in the art as resulting in an improved system that

would allow for a higher level of security.

16.   The Examiner has pointed out particular references contained in the prior art of record

within the body of this action for the convenience of the Applicant. Although the specified

citations are representative of the teachings in the art and are applied to the specific limitations

within the individual claim, other passages and figures may apply. Applicant, in preparing the

response, should consider fully the entire reference as potentially teaching all or part of the

claimed invention, as well as the context of the passage as taught by the prior art or disclosed by

the Examiner.

17.   In light of Applicants' choice to pursue product claims, Applicants are reminded that

functional recitation(s) using the word and/or phrases "for", "adapted to", "configured to", or

other functional language (*e.g.* claim 2 recites "the transaction processing server is adapted to

transmit") have been considered but are given little patentable weight because they fail to add

any structural limitations and are thereby regarded as intended use language. To be especially

clear, all limitations have been considered. However, a recitation of the intended use of the

claimed product must result in a structural difference between the claimed product and the prior

art in order to patentably distinguish the claimed product from the prior art. If the prior art

structure is capable of performing the intended use, then it reads on the claimed limitation. *In re*

Casey, 370 F.2d 576, 152 USPQ 235 (CCPA 1967) ("The manner or method in which such a

machine is to be utilized is not germane to the issue of patentability of the machine itself."); *In re*

Otto, 136 USPQ 458, 459 (CCPA 1963). See also MPEP §§ 31.06 II (*C.*), 2114 and 2115.

Unless expressly noted otherwise by the Examiner, the claim interpretation principles in the

paragraph apply to all claims currently pending.

18.   Regarding the conditional elements in the claims (*e.g.* claim 1 recites "when in use a

transaction is initiated"), they too have been considered. However, Applicants are reminded that

optional or conditional elements do not narrow the claims because they can always be omitted.

See *e.g.* MPEP §2106 II C: "Language that suggests or makes optional but does not require steps

to be performed or does not limit a claim to a particular structure does not limit the scope of a

claim or claim limitation. [Emphasis in original.]"

Conclusion

19.   In accordance with *In re Lee*, 277 F.3d 1338, 1344-45, 61 USPQ2d 1430, 1434-35 (Fed.

Cir. 2002), the Examiner finds that the references How Computers Work, Millennium Ed. By

Ron White; How Networks Work, Bestseller Ed. By Frank J. Derfler et al.; How the Internet

Works, Millennium Ed. By Preston Gralla; and Desktop Encyclopedia of the Internet by Nathan

J. Muller, is additional evidence of what is basic knowledge or common sense to one of ordinary

skill in this art. Each reference is cited in its entirety. Moreover, because these references are

directed towards beginners (see *e.g.* "User Level Beginning…"), because of the references' basic

content (which is self-evident upon examination of the references), and after further review of

the entire record including the prior art now of record in conjunction with the factors as

discussed in MPEP §2141.03 (where practical), the Examiner finds that these references are

primarily directed towards those of low skill in this art. Because these references are directed

towards those of low skill in this art, the Examiner finds that one of ordinary skill in this art

must—at the very least—be aware of and understand the knowledge and information contained

within theses references.

20.   Any inquiry of a general nature or relating to the status of this application or concerning

this communication or earlier communications from the Examiner should be directed to Jacob C.

Coppola whose telephone number is (571) 270-3922. The Examiner can normally be reached on

Monday-Friday, 9:00 a.m. - 5:00 p.m. If attempts to reach the Examiner by telephone are

unsuccessful, the Examiner's supervisor, Andrew Fischer can be reached at (571) 272-6779.

21.   Information regarding the status of an application may be obtained from the Patent

Application Information Retrieval (PAIR) system. Status information for published applications

may be obtained from either Private PAIR or Public PAIR. Status information for unpublished

applications is available through Private PAIR only. For more information about the PAIR

system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private

PAIR system, please contact the Electronic Business Center (EBC) at (866) 217-9197 (toll-free).

/Jacob C. Coppola/
Patent Examiner, Art Unit 3621
October 22, 2008

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